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THE COMMONWEALTH OF MASSACHUSETTS

MINIMUM WAGE COMMISSION

BULLETIN No. 3

AUGUST 15, 1914

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STATEMENT AND DECREE
CONCERNING THE
WAGES OF WOMEN
IN THE
BRUSH INDUSTRY
IN
MASSACHUSETTS



BOSTON
WRIGHT & POTTER PRINTING CO., STATE PRINTERS
32 DERNE STREET
1914

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CONTENTS.

	PAGE
Statement concerning the Brush Industry in Massachusetts, by the Chairman,	5
Decree,	15
APPENDIX No. 1:—	
Extracts from the Report of the Brush Makers' Wage Board, .	19
APPENDIX No. 2:—	
Members of the Brush Makers' Wage Board,	31

BULLETIN

OF

MINIMUM WAGE COMMISSION.

H. LARUE BROWN, *Chairman.*

MABEL GILLESPIE.

ARTHUR N. HOLCOMBE.

AMY HEWES, *Secretary.*

Bulletin No. 3.

August 15, 1914.

STATEMENT AND DECREE CONCERNING WAGES OF WOMEN IN THE BRUSH INDUSTRY IN MASSACHUSETTS.

The law establishing the Minimum Wage Commission directs it "to inquire into the wages paid to the female employees in any industry in the commonwealth, if the commission has reason to believe that the wages paid to a substantial number of such employees are inadequate to supply the necessary cost of living and to maintain the worker in health."¹

Study of statistics already gathered as to the cost of living² and as to wages in Massachusetts³ led the commission to conclude that the business of brush making was a proper subject for its inquiry under this direction of the law.

THE INVESTIGATION.

An investigation of wage conditions in that industry was accordingly undertaken. Its results have been published by the commission in its first bulletin issued January, 1914.

¹ St. 1912, c. 706, § 3.

² For the cost of living, see *Report of the Commission on Minimum Wage Boards, 1912.*

³ For wages in Massachusetts industries, see *Statistics of Manufactures, 1911, p. 95.*

(Bulletin No. 1, Minimum Wage Commission.) They may be summarized as follows:—

1910 1. The industry is a small one. It is apparently not growing in Massachusetts. According to the thirteenth census 8,258 persons were engaged in brush making in the United States. Of these, only 1,810 persons were employed in Massachusetts, which, however, is exceeded only by New York in number of persons employed, capital invested and value of output. It is a business of rather small establishments, although three of the Massachusetts plants are considerably larger than most of their competitors in this country or abroad. Most of the Massachusetts workers are women. Elsewhere apparently the percentage of men is higher. New York, Ohio, Pennsylvania, New Jersey, Rhode Island, Maryland and Illinois appear to be the chief American competitors of Massachusetts, and there is some competition from abroad, especially in low-grade brushes. Tariff protection has been somewhat reduced. The processes are rather numerous, and those in which women are employed require dexterity rather than strength. They are varied and are fully described in the bulletins referred to. Much of the work is monotonous rather than difficult. Machines are used to a rather limited extent, and machine operators require a period of from three months to a year before attaining maximum skill. For a few weeks learners represent no profit, and, in a few cases, loss. Subcontracting exists in some factories.

2. Wages are low everywhere. There is reason to suspect that this fact is a handicap to the industry. It adds to the difficulty of procuring a regular supply of efficient labor, and, in emphasizing the possibility of depending for profit upon low labor costs, lessens the incentive to the adoption of the most efficient business methods for reducing the cost of production. Such general tendencies of low wages are probably accentuated in an industry like brush making which "but recently graduated from the household and remains largely a handicraft."

3. Wages in Massachusetts are so low that a large majority of the female employees earn less than the guarded definition of a proper wage suggested by the statute. Two-

thirds of the whole number of women employed earn less than \$6 a week.

The commission is aware that such a statement is not the whole story. To form an intelligent judgment one must know how many hours were worked to produce the earnings in question, and, in the many cases where the time is less than a full week, why no more hours were worked.

It is frequently said by employers in this and other industries that rates are adequate to produce more than a mere living wage, with a suggestion that the meager earnings of the many are due to the choice of the workers themselves. But when one considers how desperately many of these young women need money, the fact that so overwhelming a majority do not earn what by any reasonable computation could be called a living wage makes the explanation seem unconvincing. In a few cases the fallacy is obvious. A piece rate is fixed which permits a few exceptional workers to make fairly high earnings by the exercise of a degree of skill and application which an ordinary girl cannot approach. Looked at from the point of view of the workers, the remedy in these cases is also obvious. In a much larger number of cases the difficulty is found in the fact that the worker does not or cannot work the full time. Where the cause of this condition rests with the voluntary action of the girl, not superinduced by some physical or mental condition fairly chargeable to the employment, it may perhaps be disregarded in an inquiry of this character. Where, however, the part time is chargeable to the industry, either for reasons like those suggested or because under the organization of the industry work cannot be supplied to the worker sufficient to keep her employed full time, it is a factor that cannot be overlooked by a body charged with the duty of fixing minimum rates adequate for the purposes named in the statute. The question of short time seems to the commission, perhaps, the greatest single difficulty in connection with the wage situation in this and other Massachusetts industries. It was the subject of careful consideration by the wage board in reaching its determination, and more will be said of it in connection with the conclusions of the commission.

4. The investigation showed marked difference of wages

between Massachusetts establishments. As in other industries it was found that smaller establishments frequently paid better wages than some of their larger and presumably more powerful competitors; and it was shown again that it is wholly possible for an establishment to exist and prosper in competition with others doing business under the same market conditions, but enjoying the real or supposed advantage of lower wages for like processes. This is a factor of importance in determining the weight to be given to the matter of interstate competition.

5. The investigation convinced the commission that "the wages paid to a substantial number of female employees in the brush-making industry were inadequate to supply the necessary cost of living and maintain the worker in health." It therefore became its duty to establish a wage board for the industry (St. 1912, c. 706, § 4). Nominations were invited from employers and employees, and six representatives of each were accepted. Three persons were named by the commission to represent the public. One of the latter, Mr. Robert G. Valentine, was designated to be chairman. The board so constituted met for organization on Dec. 12, 1913, and began its deliberations. The commission transmitted to the wage board the information in its possession and adopted the following rules for its guidance:—

RULES OF PROCEDURE FOR THE BRUSH MAKERS' WAGE BOARD.

Name. — This Board shall be known under the title of the Brush Makers' Wage Board.

1. *Organization.* — The chairman and secretary shall be appointed by the Minimum Wage Commission.

2. *Term of Office.* — The term of office of the Brush Makers' Wage Board shall be three years. Any representative of employers who becomes a worker at the trade shall vacate his seat. Any representative of workers who becomes an employer shall also vacate his seat. The question of fact shall in each case be determined by the commission. The commission may remove any member of the board who shall unreasonably fail to attend the meetings of the board, or who shall otherwise display unfitness for service thereupon. Vacancies shall be filled in such manner as the commission may designate.

3. *Voting.* — Each member shall have one vote. If, in the opinion of the chairman, the question upon which a vote is to be taken is one of permanent importance, in order that the vote may be, so far as possi-

ble, an expression of the opinion of the whole board, the secretary shall obtain the vote of an absent member with his opinion in writing.

4. *Powers, Duties and Procedure.* — The board shall examine the material submitted by the commission. It shall consider the question: What is the sum required a week to maintain in frugal but decent conditions of living, a self-supporting woman employed in a brush-making establishment?

It is the opinion of the commission that the absolute essentials of such decent conditions of living are (a) respectable lodging; (b) three meals a day; (c) suitable clothing; (d) some provision for recreation, self-improvement and care of health.

It shall consider the condition of the industry and effect thereon of any increase in the minimum wages paid. The board shall then endeavor to determine, as directed by statute (chapter 706, Acts of 1912), the minimum wage suitable for a female employee of ordinary ability in the occupation in question, or for any or all of the branches thereof, and also suitable minimum wages for learners and apprentices, and for minors below the age of eighteen years.

5. *Meetings.* — The board shall meet for organization upon a date fixed by the commission, and may adjourn its deliberations from time to time at its discretion. It shall be appropriate that the initial meetings be of such character as may afford opportunity for the establishment of personal acquaintance and friendly understanding among the members necessary for carrying out the purpose of the board.

6. *Additional Information.* — The board may call upon the commission for further investigation, or may request the commission to invite any designated person or persons to confer with the board. All proceedings of the board shall be governed by the chairman, subject to the approval of a majority of the board. Any employer or employee who desires to make a communication to the board concerning facts pertaining to the industry shall be given an opportunity to be heard.

7. *Rates of Wages.* — The board shall determine minimum time rates for persons of ordinary ability such as will yield in the course of a normal week the amounts determined by the board, under the provisions of section 4, to be a suitable minimum wage.

An employer who employs persons on piece rates shall be deemed to pay wages at less than the determined minimum rate unless he can show that the piece rates of wages paid yield, under the actual normal conditions of employment to an ordinary worker, at least the same amount of money as the minimum time rate.

The board shall also make such special regulations for learners, apprentices and partly incapacitated workers as it shall deem expedient.

8. *Interpretation of Rules.* — Any question upon the construction or interpretation of these regulations shall, in the event of dispute, be referred to the commission for decision.

9. *Report of Determinations.* — When a majority of the members of

the wage board shall agree upon minimum wage determinations they shall report such determinations to the commission, together with the reasons therefor and the facts relating thereto, and recommendations for the adjusting of the piece-work schedules in the separate establishments to the minimum rate.

10. *Revision of Rules.* — These rules are subject to revision by the commission.

The wage board made a preliminary report on March 17, 1914, containing a study of conditions in the industry and a statement of the principles by which the majority of the wage board was guided in reaching its determinations. This report, which was prepared by the chairman of the wage board, Mr. Valentine, is, in a slightly condensed form, appended hereto.

On June 12, 1914, a final report was adopted and submitted to the commission. The determinations of the wage board were as follows: —

DETERMINATIONS.

1. The rate to go into effect at once shall be 15½ cents an hour. At the end of a year's time the rate shall automatically become 18 cents an hour unless in the meantime the representatives of the manufacturers have brought such evidence before the board as to justify the board in recommending to the Minimum Wage Commission a lower rate than an 18-cent rate.

2. The rate for learners and apprentices shall be 65 per cent. of the minimum for one year, and the period of apprenticeship shall not be more than one year.

3. These findings shall apply to all minors.

4. The previous report of the Brush Makers' Wage Board shall be submitted to the Minimum Wage Commission as the board's idea of the general direction that minimum wage findings should take.

5. In the case of piece workers, if in any case the piece rate yields less than the hourly minimum for time workers, that same hourly minimum must be paid.

To this report the commission gave its tentative approval on June 13, and gave notice to all employers of a public hearing on June 29, 1914. The hearing was well attended, and the only objections made by representatives of employers are dealt with herein. The matter is therefore before the commission for final disposition.

THE CONCLUSIONS OF THE COMMISSION.

1. The determination of a minimum rate for the ensuing year of $15\frac{1}{2}$ cents per hour met with no objection from employers at the hearing, and the commission has not been advised otherwise of objection to it. It is substantially a matter of agreement between the parties interested, and is approved by the commission.

This determination is perhaps the principal matter now before the commission. It might perhaps be dismissed with no further comment. It seems, however, that one or two observations may be proper as indicating the point of view of the commission in making its finding of approval.

Assuming an average week of fifty hours and regular employment, this rate will yield earnings of \$7.75. This is substantially below the sum agreed upon unanimously by the wage board as the lowest upon which a woman can live properly under the existing conditions. It is, however, substantially higher than the rates now in force for many divisions of the industry. As the wage board points out, its business and that of the commission is to fix a low limit for wages in this industry. It makes no effort to fix actual wage rates except to say that no wage for any worker should be lower than that agreed upon. What rates for various processes actually shall be above that limit is left to the parties concerned to be fixed with reference to the character of the work, the skill of the worker and the other considerations affecting the problem.

The commission in approving this rate as a minimum is moved thereto by the agreement of the parties and by the fact that it is charged with putting into operation a new principle affecting Massachusetts industry. It believes the principle wise and businesslike, but it recognizes that it is one by which this industry is not affected in other states. The statute (section 8) and the rules adopted by the commission (Rule II) make the wage board a continuing body. It may be reconvened whenever conditions require, and its continued existence should be an educative and steadying force of great value to the industry. It is wholly possible to correct any error which develops after the present decree

shall have had a fair trial. For that reason the commission, while realizing that the needs of the workers as agreed upon by all parties justify a higher minimum, and that the evidence presented to the wage board and to the commission that the industry is not able to pay higher wages and continue to exist in reasonable prosperity is inconclusive and unsatisfying, feels warranted in giving its approval to the rate of 15½ cents per hour to take effect as of Aug. 15, 1914, and to continue for one year. The matter may then be the subject of such action as the situation then existing may warrant.

In making this finding the commission has not overlooked the language with which the wage board's determinations of 15½ cents is accompanied. The commission is of opinion that 18 cents per hour is, under the conditions attending this industry, a sum not more than adequate to supply the necessary cost of living and maintain the worker in health. It is further of opinion that the requirement of section 5 of the statute — that the board and commission shall "take into consideration . . . the financial condition of the industry and the probable effect thereon of any increase in the minimum wages paid" — necessarily imposes upon the employers the burden of coming forward with the evidence that a rate which satisfies the first-mentioned requirement should not be approved because of its effect on the financial condition of the industry. The need of the girl is a factor easily determined within narrow limits. The financial condition of the industry is a matter peculiarly within the knowledge of employers, and without exercising a degree of inquisitorial power which would be pleasing neither to it nor to employers, the commission has not been shown, nor does it see how it intelligently can determine, how far its decree should be affected by the condition of the industry other than by depending upon employers to come forward with the facts relating thereto.

In the present instance, aside from certain general statements as to business conditions in the industry, the commission has been presented with little information tending to show that the industry cannot pay the 18-cent rate sug-

gested as proper at the end of a suitable period for readjustment and preparation. It has asked for such information.

Should it not be presented, the commission, as at present advised, is of opinion that a rate of 18 cents or its equivalent, figured upon a weekly basis, would require its favorable consideration. That bridge, however, need not now be crossed. In approving the rate of 15½ cents the commission meets the case before it, but it feels that it should express its opinion as to the general policy involved in the problem. Attention is called to the discussion of the principles involved in fixing minimum wages with reference to this industry contained in the report of the wage board (Appendix No. 1). In particular, the plan described upon pages 28 and 29 seemed to present features which merit the careful consideration of employers.

In this connection the commission is of opinion that employers should give their best thought to the problem of eliminating the great irregularity of employment and reducing the striking amount of part time which marks the industry. The business is not one necessarily seasonal in character. Nor does it seem to present any difficulty in this respect that enlightened business thought should not solve. In the judgment of the commission great advantage would result to the industry as a whole, and to the workers engaged in it, if such readjustment could be brought about that those whom the industry does employ should be given regular and full-time employment; and when such employment has been provided at rates which in full time are adequate, employers should insist that those who remain in the industry take full advantage of its opportunities.

2. The rate for learners and apprentices is fixed at 65 per cent. of the minimum, and the time of apprenticeship limited to one year. No objection to this determination has been offered by any one engaged in the industry. It was the judgment of a competent tribunal, and we see no reason to interfere with it. It is therefore approved.

3. Piece workers are to be paid at such rates as to put them, so far as their minimum earnings are concerned, on the same basis as the time workers. No doubt many will

exceed the minimum. To this determination, also, no objection was made by any persons engaged in the industry. It is therefore approved.

4. To the determination that the finding shall apply to all minors, objection was made by one employer which requires notice. Before dealing with the objection it should be said that no question is made as to persons between the ages of eighteen and twenty-one.

It is said, however, that the determination if approved would make impossible the employment of children between fourteen and eighteen during school vacations, and the objection is put upon the ground that public policy requires that opportunity for such employment be left open. To the general proposition the commission is prepared to give its assent. It does not, however, seem to the commission that in the present case the objection is well founded. The provision made for the employment of learners and apprentices appears sufficient to take care of any legitimate need in this connection, and it does not seem wise to encourage an abnormal increase in force during the summer months by use of this class of labor in an industry which now suffers greatly from the evil of part-time employment during large portions of the year. Furthermore, the commission has requested, but has not been furnished, information indicating to what extent the present determination would have the effect suggested by the objectors, and we do not feel that it is wise, without more definite evidence, to disturb the determination of the wage board in this respect. The following decree therefore may be entered:—

DECREE.

The Minimum Wage Commission of the Commonwealth of Massachusetts, having before it the report of the Brush Makers' Wage Board, after public hearing thereupon held June 29, 1914, and for the reasons set forth in its opinion of even date, in accordance with St. 1912, c. 706, § 6, makes the following decree:—

1. The lowest time wage paid to any experienced female employee in the brush industry shall be 15½ cents an hour.
2. The rate for learners and apprentices shall be 65 per cent. of the minimum, and the period of apprenticeship shall not be more than one year.
3. These findings shall apply also to all minors.
4. If in any case a piece rate yields less than the minimum time rate, persons employed under such rate shall be paid at least 15½ cents an hour.
5. This decree shall take effect on Aug. 15, 1914, and shall remain in effect until altered by the commission.

THE MINIMUM WAGE COMMISSION,
OF THE COMMONWEALTH OF MASSACHUSETTS.

H. LARUE BROWN, *Chairman.*
MABEL GILLESPIE.
ARTHUR N. HOLCOMBE.

Attest:

Amy Hewes.

Secretary.

APPENDICES.

APPENDICES.

APPENDIX NO. 1.

EXTRACTS FROM THE REPORT OF THE BRUSH MAKERS' WAGE BOARD TO THE MINIMUM WAGE COMMISSION, MARCH 17, 1914.

Section I. The Needs of Employees.

As laid down by the Minimum Wage Commission, the absolute essentials of decent self-support are: —

- (a) Respectable lodging.
- (b) Three meals a day.
- (c) Suitable clothing.
- (d) Some provision for recreation, self-improvement and care of health.

In attempting to determine a sum adequate for these purposes for a self-supporting woman employed in a brush-making establishment, the wage board has attempted to apply to present Massachusetts conditions the deductions to be drawn from the mass of statistical material which has been gathered upon this subject. It has made the same kind of inquiry which any individual seeking food, shelter and lodging is daily making.

Lodging at the lowest level of decency cannot be found in Boston for less than \$1.50 per week. A minimum cost for food is at least \$3 a week. If one has the courage to go little beyond keeping warm and dry, it cannot be done for less than \$45 a year, or 87 cents a week. For the preservation of health, average expenditures of \$8.75 per year, or 17 cents a week, seem an irreducible minimum. Car fare requires at least 60 cents a week. The total budget so built up is: —

	Per Week.
Lodging,	\$1 50
Food,	3 00
Clothing,	87
Car fare,	60
Other,	17
Total,	\$6 14

This figure assumes ideal conditions, and is purely theoretical. It allows nothing for laundry, for reading other than in public libraries, for recreation, for church, for savings or for insurance of any kind. At least these items must be added: —

	Per Week.
Laundry,	\$0 20
Church,	10
Newspapers (Sunday and every other day),	08
Vacation (one week per year at \$10),	19
Picture show (once in two weeks),	05
Theatre (once in two months at 25 cents),	04
Clothing (an addition of \$25 per year),	48
Food,	50
Lodging and extras,	50
Total,	\$2 14

The lowest total for human conditions for an individual in Boston is thus seen to be \$8.28. This amount is lower than that of \$8.71, tentatively arrived at by the board early in its proceedings. It makes no allowance for savings or insurance, and is not therefore a true living wage. Allowing for variations between individuals, the wage board is convinced that the sum required to keep alive and in health a completely self-supporting woman in Boston is in no case less than \$8, and in many cases may rise to \$9 or more.

Section II. Group Methods of Living.

Should group methods of living modify this finding from an industrial point of view? The possible methods are: —

- (a) Life in families.
- (b) Life in broken families.
- (c) Endowed lodging houses.
- (d) Women rooming together.

We cannot hide in our thinking behind the almost universal lack of family accounting. The majority of people who live with others do not know what their living costs them. In determining the cost of self-support for a woman living with her family, allowance must be made for her share of rent, furniture, light, heat, the mother's labor at a fair wage, and the other items shared by all persons in the family. The difference between her expenses and those of the woman living independently is less than is generally supposed. The personal items are the same in each case.

Nor should it be overlooked that the woman living alone is the only person directly involved if her income falls below the minimum line. If a family income falls below, all members of the family are directly involved. The risk is greater. The margin of safety also should be greater in the case of the family. . . .

This situation is emphasized where the case is that of a broken family group. To these people a minimum wage from an individual point of view is far below the minimum from a family point of view.

Where girls room together there may be some saving in room rent. In no other item is there any substantial saving, and there is often an increase of fatigue which overbalances any possible money economy.

Section III. Subsidies to Industry.

If an industry cannot pay for the human endeavor it uses, it is time to ask the effect of such an industry upon public welfare. Who, if anybody, is paying the sum it does not pay toward making up the amount needed to prevent bodily and mental deterioration? The difference between what is necessary and what the industry pays can come only from one of four sources: —

- (a) Direct charity.
- (b) A direct subsidy to the worker through state aid.
- (c) An indirect subsidy from industries which do pay living wage.

This is the situation where a worker who receives less than her subsistence costs is partly supported by other workers in the family. The employer of such partially subsidized women and children gets a double advantage over a self-supporting trade. He gets energy derived from food for which his wages do not pay, and he subtracts from the workers of the self-supporting trade energy for which the income derived from them properly should pay. Such an industry is parasitic in its relations to the self-supporting trades about it.

- (d) An indirect subsidy taken from the physical and mental capacity of the worker herself.

Where the difference is not made up in money in some one of the ways mentioned, it can only be taken from the health or strength of the worker. Such a process drains the vital strength of the nation, and as a matter of self protection as well as of humanity cannot be permitted by society.

Section IV. Effects on Financial Conditions of Industry.

The wage board has tried to answer the question whether the fixing of a minimum wage will increase or decrease the amount of annually renewing income out of which wages, salaries, interest and profits are made properly possible. It might be held that it was the duty of the board to accept the fact that the State has established a minimum wage procedure and go ahead and fix a rate. But putting a rate into effect is more important than making it. The question is clearly a practical one, and businesslike methods must be used.

It is the belief of the board that the added wages which would come to workers through the application of a minimum wage would be a permanent and real addition because of their wealth-creating power, and would be of advantage to employer, employee and the public.

The minimum wage does not abolish competition for employment or the freedom of the employer's choice. It transfers the emphasis from price to value. The employer is compelled to raise the level of efficiency of his people so as to get the best possible return from fixed conditions. The aggregate efficiency of a nation's business is promoted by insuring that the workpeople employed will be those most efficient, and those unemployed will be almost exclusively the least efficient. By barring an obvious but, from a broad point of view, most undesirable form of relief from the pressure of competition, the minimum wage compels the adoption of methods of lowering costs of production which lead to the elimination of waste and increase of productivity. It puts a premium on business skill, tends to the elimination of the incompetent employer, and stimulates the selection for the nation's business of the most efficient workmen, the best equipped employers and the most advantageous form of industry.

The results of such experience as there has been in England and elsewhere show that wage boards bring about better organization and better feeling in industry. Employers who pay fair rates have learned that they have as much to gain as employees. As yet there has been no diversion of trade through increased costs of production or of the increase of foreign competition to the extent feared by employers at the outset. The intensive study of conditions made by the

board has revealed faults of organization and suggested remedies, and the boards tend more and more to aid in settling disputes outside their particular field and to make efficient and valuable the reserve of casual labor upon which industry must depend in rush times. They also promote technical education. It is notable, in England especially, that initial difficulties thought insurmountable have been overcome, and that the movement advances steadily. . . .

The wage board believes (1) that an industry which does not pay living wages to every one of its employees is getting something for nothing, which is not good business; and (2) that any worker not returning to the industry in efficient work the full equivalent of his wages is getting something for nothing, which is not good business.

Its problem is to set a minimum wage which will secure to the worker from the industry a living chance at the lowest level of decent living, and to set that minimum wage in a manner which will secure to the industry a sure return in work for the wages paid.

Section V. The Brush Industry in Massachusetts.

The information transmitted to the wage board by the Minimum Wage Commission indicates that the industry is not increasing in Massachusetts. It is strongly controlled by competition with other states and countries and with prison-made goods. Prices of finished product cannot be raised immediately to cover an increase in wages. A Massachusetts manufacturer has no particular advantage in purchasing raw materials. Under these circumstances, manufacturers have felt that they were compelled to depend upon cheap labor to make their enterprises successful. The industry has sought to lower its costs by employing many women at low wages.

In some aspects the industry is moving in a vicious circle. Competition has made it feel that its chief method of making profit was in employing low-wage labor. Low pay has been one of the causes, apparently, which has made it difficult to get an adequate supply of regular workers. Higher wages at the lowest level might well assist in meeting competition by increasing and regularizing the labor supply for the industry.

It is noteworthy that in many highly competitive businesses employers have voluntarily established minimum wages far in advance of their sharpest competitors, and no case is on record of their failure to prosper. It is impossible to draw

positive conclusions from the testimony as yet available, but the wage board believes that more weight has been given to a low pay roll than should be given it even under highly competitive conditions, and that a higher pay roll with increase of efficiency and increased regularity of work would undoubtedly be beneficial.

Because the brush industry is to-day standing still or declining, is honeycombed by custom with irregularity of employment, is small in aggregate size, and is peculiarly affected by certain competitive conditions, the wage board believes that it is not in condition to pay as high a minimum wage or to bring it as near the actual cost of living as many other industries in the State. It does believe that the establishment of a reasonable minimum will tend to put new life into the industry.

The wage board feels that if it could find some way for insuring greater regularity of work the industry could well afford to pay very considerably higher wages. The wage board has attempted to meet this need in the form of its tentative findings.

Section VI. The Capacity of the Worker to earn the Minimum.

The wage board is of the opinion that the minimum wage could be framed in such form as to create a strong tendency to increase the efficiency of the workers in the industry. An increase in the efficiency of the worker must be provided for by two lines of improvement, as follows:—

1. By increase in efficiency of business management. In the brush industry there are notable examples of wide-awake methods. There is, however, as in all other industries, continuing opportunity to make improvement in the other factors of production as well as in the labor factor.

2. By improvements in the efficiency of the workers themselves.

The undesirable lowness of earnings depends not so much on the low wages themselves as on the methods of reckoning and paying them. In methods of remuneration there are many things which are burdens both to employer and employee, and employers often make employees suffer overmuch from their own lack of management.

The board feels that the piece rates now in existence in the brush industry are, speaking generally, such rates in themselves and fixed in such a manner as to give the best returns

neither to employers nor to employees, and that where a large number of employees are on day pay the concern suffers even more than in piece-rate work from lack of adequate production. The information before the board makes it clear that the piece rates in the industry are fixed on the basis of custom and market-time rates in the industry. This fact, — taken together with the fact that information before the board shows that modern methods of cost accounting are substantially absent from the industry, — reveals much room for improvement. The board does not urge on the industry elaborate methods of cost accounting; but it does urge, in the interests of both employers and employed, better methods than now exist.

When the employer or his rate setter sets a piece rate he does not in the first instance think of the piece; he thinks of the lot of, say, 100 pieces. He makes a calculation as to how long it ought to take to do the lot, — say five hours.

He next takes into consideration the grade of labor that is to do the work and the expectancy of wages (earnings) of that grade of employee for that length of time (say \$0.15 an hour; \$1.50 a day of ten hours), which will make them require \$0.75 for the lot in order to "make wages". Finally, he divides that \$0.75 price for the lot by the number of pieces in the lot and sets a piece rate accordingly, — in this assumed case, three-fourths of a cent apiece. In other words, a piece rate always has a day-wage basis; and, although the employer may never speak of a standard time for doing the work, nevertheless, he plans a time which for him is actually a standard time until it is changed.

Piece rate is in reality a most delicate form of adjustment of wages. It is balanced on the fulcrum of the assumed necessary time. If a mistake has been made about that time so that it tips one way, the employer suffers in accelerated proportion (and presently corrects his error by cutting the rate); or if it tips the other way, the employee suffers in an accelerated proportion and cannot "make wages".

In the findings of this report the board recommends that wherever piece rates yield less than time rates grade for grade, the time rate fixed as the minimum wage must be paid. Under the plan advocated by the board, the employer may discharge and will discharge the low-performance

and high-cost workers if he thinks it is their fault that the performance is low. But if he knows that it is by reason of his own mismanagement, such as delay in furnishing material, defective machinery and the like, he will not do so, because he knows he cannot get better workers. He will brace up his management. He is held in check in the exercise of his judgment automatically by the reasons stated above. If the findings should go into effect in full force at once, the employer might discharge the low-performance, high-cost workers on a considerable scale, and employ other more efficient workers at higher wages in their places. To give the employee opportunity to meet the standard, the findings of the board contain a recommendation that the minimum wage go into effect gradually, by a series of advances. Under these circumstances, these employees will eat better, live better and will soon become as efficient as any the employer might get in their places.

In other words, this plan creates, if given time to produce its proper effect, its own source of wage payments, partly by the improvement of the workers on their side when better paid, and partly by the improvements of methods on the side of the employer himself. . . .

We now pass to the proposed application to the "short-time" unemployment evil in its larger aspects of delays in the flow of business, from week to week and month to month, and to the question of voluntary irregular attendance on the part of the workers themselves. Of course the employer will lay his workers off during slack time if he thinks it necessary, and he must be the judge of the necessity. But he will not do so unless really necessary because of the risk of not getting them back again when he wants them. . . .

If an employer should by reason of lack of employment lay off a good many under this rule, it would be a good thing for the workers so laid off in the long run. They will look for employment elsewhere, and through spur of necessity will find it; and that would be better than to be dangled along half employed and half living and so, too inert to venture anything, buoyed up by hope of full time soon, — a hope that often cannot be realized. That it is much better for workers in a part-time industry, getting low earnings largely

because they are chronically in a state of half-unemployment, to be laid off and have complete unemployment and so be forced to better their condition, was thoroughly demonstrated in the report of the investigation of the hand-loom weavers early in the nineteenth century in England.

The application of the minimum wage to the evil of low earnings by reason of short time is a cure for the evil, whether it arises from lack of continuity and volume of employment offered, — unemployment proper, — or whether it arises from voluntary irregularity of attendance upon employment which is offered. In neither case, of course, is the employer compelled to keep employees and pay them the minimum wage; he is only required to pay the minimum wage if he keeps them; and it is obvious that so far as excessive unemployment is voluntary on the part of the workers, that will straightway come to an end. The employer will of course strengthen his discipline and discharge excessively irregular workers. That, too, will be an unquestionable gain to the workers as a class in the long run. Voluntary unemployment, so far as it exists beyond the necessities of the workers, can be either only from lack of ambition on the part of the worker because of the low wages, or slack discipline on the part of the management. . . .

An employer offers and an employee accepts a *piece rate* on the basis of the fundamental expectancy on both sides as to the time necessary to do the lot of a certain number of pieces. The earnings per day under piece rate vary inversely with the time actually taken to do the lot or lots. When the expected necessary time is exceeded (and daily earnings are consequently low) it may be either by the fault of the employer or by the fault of the employee. It is not good public policy that the employee should be allowed to gamble on her earnings as to how low they may go under piece rate.

An employer offers and an employee accepts a *rate per hour* for time wage on the basis of the fundamental expectancy on both sides as to the normal hours per week of employment. The earnings per week under time wage vary directly with the hours of employment actually furnished and performed. When the hours of time payable in any week fall below the expected normal hours it may be either by fault of the employer in not furnishing employment or by the fault

of the employee in not accepting it. It is not good public policy that an industry should be habitually short time to the extent of falling below the expectancy of normal hours of employment per week, and that employees should gamble on how low their earnings may go per week, either by reason of lack of regularity of work furnished or by reason of their own excessive voluntary casual attendance upon work.

The board has felt that it was natural to approach the subject from the standpoint of weekly, monthly and annual continuous average expenditure. While daily and weekly expenditures by employees vary, the principal items of such expenditures, such as board and lodging, continue pretty uniform, regardless of employment or labor conditions.

On the other hand, it has been borne in mind that the manufacturer has to deal with the wage problem from a cost standpoint, and therefore must try to make the wage fit the work within small periods of time.

The first duty of this board is to strike clearly and decisively at the fundamental root of the evil which it is the intention of minimum wage legislation to correct. Any minimum wage finding which stops with merely naming a minimum hourly rate looks well on paper, but accomplishes no actual result beyond a somewhat pale moral effect. No person can live wisely who tries to plan out his life on anything less than a weekly basis. The goal to aim at is a yearly basis. At the present time, however, an attempt to compel even a minimum weekly wage payable each week without regard to the average earnings over a larger period would be an undue burden on many manufacturers.

The proposed system makes it possible to leave out entirely the question of time in many piece-rate industries which have not as yet time-keeping systems. It will also tend to eliminate many practical problems over which the State will find it difficult to maintain equitable control.

It should be further noted that under a system of computation confined to each week, the actual minimum over any period of time paid to any employee who frequently exceeded in his earnings the minimum rate would compel from the employer a minimum wage exceeding the amount nominally set, and would thus go further than the law intends. It should be

borne in mind that a minimum wage is not properly a wage at all, but a retaining fee for labor; its object is, in other words, to see to it that every employee is in such physical and mental condition that he is in good shape to earn a wage.

We have endeavored to make our findings so easy of execution that a minimum of oversight to secure enforcement will be needed.

The rate set by this board, it should be remembered, distinctly relates to the brush industry, its location and its conditions of employment.

First Findings.¹

Rule I. — That a minimum salary by ten-week periods be combined with an hourly time-rate or piece-rate system of pay, and workers shall receive each week after ten weeks of employment, and as long as they are on the pay roll, not less than that minimum salary less proportionate deductions according to the hourly rate for voluntary absence. This minimum salary shall be computed as follows: each weekly pay day the minimum weekly rate set by this board shall be multiplied by ten, and if the total earnings of the employee during the ten-week period immediately preceding each weekly pay day do not equal that amount the difference shall be paid to her each week.

Rule II. — The minimum weekly rate set by the board governs the hourly rate that may be deducted under Rule I for voluntary absence.

Rule III. — Substandard or handicapped workers may be given permits to work for less than the minimum at the discretion of the board.

Rule IV. — These rates and rules shall apply to all occupations in the industry.

Rule V. — The weekly minimum salary to be paid in accordance with the provisions of Rule I shall be \$7.75.

Rule VI. — No one shall be carried as a learner or apprentice for more than one year. The rate of pay for learners or apprentices shall be 65 per cent. of the standard for the first six months, and 85 per cent. of the standard for the second six months.

¹ The final determinations and recommendations of the board are incorporated in the commission's statement, p. 10.

Rule VII. — Rule I is not to apply to home work. Piece rates in home work shall be not less than the piece rates in the factory for the same work.

BRUSH MAKERS' WAGE BOARD.

ROBERT G. VALENTINE,
Chairman.

ELIZABETH GLENDOWER EVANS,
Secretary.

LENA C. GRANGER.

GERTRUDE ROGERS.

JULIA O'CONNOR.

MAUD SULLIVAN.

GERTRUDE V. MAGUIRE.

AUSTIN P. KAVENEY.

FRANK W. TULLY.

APPENDIX NO. 2.

MEMBERS OF THE BRUSH MAKERS' WAGE BOARD.

Representing the Public.

ROBERT G. VALENTINE, *Chairman.*

ELIZABETH G. EVANS, *Secretary.*

FRANK W. TULLY.

Representing the Workers.

LENA C. GRANGER.

JULIA O'CONNOR.

AUSTIN P. KAVENEY.

GERTRUDE ROGERS.

GERTRUDE V. MAGUIRE.

MAUD SULLIVAN.

Representing the Manufacturers.

D. F. S. CLARK.

HECTOR M. HOLMES.

FREDERICK C. ELY.

J. W. SIMPSON.

FRANK HARDY.

GEORGE W. SOULE.



